

Introduced by Senator Escutia

February 21, 2003

An act to amend Sections 60290 and 60622 of, and to add Sections 60233.6 and 71611.5 to, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 906, as introduced, Escutia. Water districts.

(1) Existing law, the Water Replenishment District Act, authorizes a water replenishment district to establish an annual reserve fund in an amount that does not exceed \$10,000,000, subject to an annual adjustment. The act requires 80% of the funds in the reserve fund to be expended for water purchases.

This bill, instead, would authorize a water replenishment district to establish an annual reserve fund in an amount not to exceed an amount that equals the district's expenditure requirements identified for 6-month period in the annual budget adopted by the board of directors. The bill would authorize the district to expend the funds in the reserve fund for any purpose authorized by the act in accordance with a minimum reserve fund policy established by the district's board of directors.

(2) The Water Replenishment District Act requires all contracts and other documents executed by a water replenishment district to be signed by the president and secretary of the district.

This bill, instead, would require all contracts executed by the district that require or authorize the district to expend more than _____(\$_____) to be signed by the president and secretary of the district and would authorize the general manager or other authorized representative of the district to sign all other contracts.

(3) Existing law, the Municipal Water District Law of 1911, authorizes a municipal water district to sell water.

This bill would prohibit the Central Basin Municipal Water District and the West Basin Municipal Water District, for the purposes of selling water supplied by the Metropolitan Water District of Southern California to the Water Replenishment District of Southern California, from imposing charges that exceed the wholesale price imposed by the Metropolitan Water District of Southern California and a reasonable charge that reflects actual costs incurred by those respective municipal water districts in connection with the delivery of that water. The bill would require the Water Replenishment District of Southern California to apply any savings realized by that district as a result of the implementation of that provision to the purchase of replenishment water.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 60233.6 is added to the Water Code, to
2 read:
3 60233.6. Any savings realized by the Water Replenishment
4 District of Southern California resulting from the implementation
5 of Section 71611.5 shall be applied by that district to the purchase
6 of replenishment water.
7 SEC. 2. Section 60290 of the Water Code is amended to read:
8 60290. The district may establish an annual reserve fund in an
9 amount not to exceed ~~ten million dollars (\$10,000,000)~~ *an amount*
10 *that equals the district's expenditure requirements identified for a*
11 *six-month period in the annual budget adopted by the board of*
12 *directors, commencing with the 2000-01 2003-04 fiscal year.*
13 ~~The maximum allowable Funds in the reserve fund may be~~
14 ~~adjusted annually commencing with 2001-02 fiscal year to reflect~~
15 ~~percentage increases or decreases in the blended cost of water from~~
16 ~~district supply sources. A minimum of 80 percent of the reserve~~
17 ~~shall be for water purchases, not including the funds described in~~
18 ~~Section 60291 or the reserved funds described in subdivision (o)~~
19 ~~of Section 60315, may be expended for any purpose authorized by~~
20 ~~this division in accordance with a minimum reserve fund policy~~
21 ~~established by the board of directors.~~

1 SEC. 3. Section 60622 of the Water Code is amended to read:
2 60622. (a) All contracts ~~and other documents~~ executed by
3 the district *that require or authorize the district to expend more*
4 *than _____ (\$_____)* shall be signed by the president and the
5 secretary.

6 (b) *All contracts not described in subdivision (a) may be signed*
7 *by the general manager or other district representative authorized*
8 *by the board of directors.*

9 SEC. 4. Section 71611.5 is added to the Water Code, to read:

10 71611.5. For the purposes of selling water supplied by the
11 Metropolitan Water District of Southern California to the Water
12 Replenishment District of Southern California, the Central Basin
13 Municipal Water District and the West Basin Municipal Water
14 District may not impose charges that exceed the sum of both of the
15 following:

16 (a) The wholesale water charge imposed for that water by the
17 Metropolitan Water District of Southern California.

18 (b) A reasonable charge that reflects the actual costs incurred
19 by the Central Basin Municipal Water District or the West Basin
20 Municipal Water District in connection with the delivery of that
21 water by that district.

22 SEC. 5. The Legislature finds and declares that Section 4 of
23 the act adding this section, which is applicable only to the sale of
24 water by the West Basin Municipal Water District or the Central
25 Basin Municipal Water District to the Water Replenishment
26 District of Southern California, is necessary because of the unique
27 and special groundwater replenishment purposes for which that
28 water is supplied. It is, therefore, hereby declared that a general
29 law within the meaning of Section 16 of Article IV of the
30 California Constitution cannot be made applicable to those
31 districts and the enactment of this special law is necessary for the
32 conservation, development, control, and use of that ground water
33 for the public good.

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